

CHEMBIO DIAGNOSTICS, INC.
Form DEF 14A
March 28, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

CHEMBIO DIAGNOSTICS, INC.

(Name of Registrant as Specified in Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

CHEMBIO DIAGNOSTICS, INC.

3661 Horseblock Road

Medford, NY 11763

(631) 924-1135

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held May 10, 2018

The Annual Meeting of Stockholders of Chembio Diagnostics, Inc. will be held on May 10, 2018 at 10:00 a.m. (local time) at the office of Chembio, 3661 Horseblock Road, Medford, New York 11763, for the following purposes:

1. To elect four directors to the Company's Board of Directors;
2. To consider and vote upon a proposal recommended by the Board of Directors to ratify the selection of BDO USA, LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2018;
3. To consider and vote on a proposal to approve, on an advisory basis, the compensation paid to our Named Executive Officers (as that term is defined in this Proxy Statement for the 2018 Annual Meeting of Stockholders);
4. To, in their discretion, vote upon an adjournment or postponement of the meeting; and
5. To transact any other business that properly may come before the Annual Meeting.

Only the stockholders of record as shown on our transfer books at the close of business on March 14, 2018 are entitled to notice of, and to vote at, the Annual Meeting. Our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 is being provided to stockholders with this Proxy Statement. The Annual Report is not part of the

proxy soliciting material.

All stockholders, regardless of whether they expect to attend the meeting in person, are requested to complete, date, sign and return promptly the enclosed form of Proxy via the Internet or in the accompanying envelope (which requires no postage if mailed in the United States), as applicable. The person executing the Proxy may revoke it by filing with our Secretary an instrument of revocation or a duly executed Proxy bearing a later date, or by electing to vote in person at the Annual Meeting.

Important Notice regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 10, 2018:

The Proxy Statement, form of Proxy, and Annual Report to Stockholders for the fiscal year ended December 31, 2017 are available free of charge at <http://www.chembio.com/investors/proxy/>. The Notice of Internet Availability of Proxy Materials will be mailed to beneficial owners beginning on or about March 28, 2018. Paper copies of the Proxy Materials will be mailed to stockholders of record beginning on or about March 28, 2018.

All stockholders are extended a cordial invitation to attend the Annual Meeting. If you would like to obtain directions to be able to attend the Annual Meeting in person, please contact Nancy Kandell at (631) 924-1135 or nkandell@chembio.com.

On Behalf of the Board of Directors

/s/ John J. Sperzel III

Medford, New York John J. Sperzel III
March 27, 2018 Chembio Diagnostics, Inc., Chief Executive Officer

PROXY STATEMENT

CHEMBIO DIAGNOSTICS, INC.

3661 Horseblock Road

Medford, NY 11763

(631) 924-1135

ANNUAL MEETING OF STOCKHOLDERS

To be held May 10, 2018

SOLICITATION AND REVOCATION OF PROXIES

This Proxy Statement is provided in connection with the solicitation of proxies by and on behalf of the Board of Directors of Chembio Diagnostics, Inc., a Nevada corporation (referred to as the "Company" or "Chembio" or "we" or "us"), to be voted at the Annual Meeting of Stockholders to be held at 10:00 a.m. (local time) on May 10, 2018 at the office of Chembio, 3661 Horseblock Road, Medford, New York 11763, or at any adjournment or postponement of the Annual Meeting. We anticipate that this Proxy Statement and the accompanying form of Proxy will be first made available to stockholders on or about March 27, 2018.

In accordance with rules and regulations adopted by the SEC, we are furnishing proxy materials to our stockholders of record by (i) mailing a printed copy of the proxy materials, and (ii) providing Internet access to the proxy materials at <http://www.chembio.com/investors/proxy/>. Stockholders of record who receive a printed copy of proxy materials as well as stockholders of record who receive a Notice of Internet Availability of Proxy Materials each will be permitted to access our proxy materials on the Internet. In addition, stockholders of record who receive a Notice of Internet Availability of Proxy Materials can receive a printed copy of the proxy materials by requesting this information from the Company. The Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice of Internet Availability of Proxy Materials also instructs you as to how you may submit your proxy on the Internet.

A stockholder giving a Proxy may revoke it at any time before it is exercised by delivering written notice of revocation to our Secretary prior to the start of the Annual Meeting, by substituting a new Proxy executed at a later date prior to the start of the Annual Meeting, or by requesting, in person at the Annual Meeting, that the Proxy be returned.

The solicitation of Proxies is to be made on the Internet and through mailings. However, following the initial solicitation, further solicitations may be made by telephone or oral communication with stockholders. Our officers, directors and employees may solicit Proxies, but these persons will not receive compensation for that solicitation other than their regular compensation as employees. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries to provide access to the solicitation materials to beneficial owners of the shares held of record by those persons. We may reimburse those persons for reasonable out-of-pocket expenses incurred by them in so doing. We will pay all expenses involved in preparing, assembling and mailing this Proxy Statement and the enclosed material.

VOTING SECURITIES

The close of business on March 14, 2018 has been fixed as the record date for the determination of holders of record of the Company's common stock, \$0.01 par value per share, entitled to notice of and to vote at the Annual Meeting. Each stockholder of record as of the close of business on the record date is entitled to one vote on each matter to be voted on at the Annual Meeting for each share of common stock held by that stockholder on the record date. On the record date, 14,162,702 shares of common stock were outstanding and eligible to be voted at the Annual Meeting. A majority of the issued and outstanding shares of common stock entitled to vote, represented either in person or by Proxy, constitutes a quorum at any meeting of the stockholders. If sufficient votes for approval of the matters to be considered at the Annual Meeting have not been received prior to the meeting date, we intend to postpone or adjourn the Annual Meeting in order to solicit additional votes. The form of proxy we are soliciting requests authority for the proxies, in their discretion, to vote the stockholders' shares with respect to a postponement or adjournment of the Annual Meeting. At any postponed or adjourned meeting, we will vote any Proxies received in the same manner described in this Proxy Statement with respect to the original meeting.

VOTING PROCEDURES

Votes at the Annual Meeting are counted by an inspector of election appointed by the Chair of the meeting. You can ensure that your shares are voted at the Annual Meeting by submitting your proxy card on the Internet, or by completing, signing, dating and returning the enclosed proxy form in the envelope provided, such that they are received no later than the day before the Annual Meeting. Abstentions by those present at the Annual Meeting are tabulated separately from affirmative and negative votes and do not constitute affirmative votes. If a stockholder submits his or her proxy card and withholds authority to vote for any or all of the items, the votes represented by the proxy card will be deemed to be present at the Annual Meeting for purposes of determining the presence of a quorum but will not be counted as affirmative votes. Rule 452 of the New York Stock Exchange (NYSE), which governs all brokers, permits brokers to vote their customers' stock held in street name on routine matters when the brokers have not received voting instructions from their customers. The NYSE does not, however, allow brokers to vote their customers' stock held in street name on non-routine matters unless they have received voting instructions from their customers. In such cases, the uninstructed shares for which the broker is unable to vote are called broker non-votes. The ratification of the independent auditor is a routine matter on which brokers may vote in their discretion on behalf of customers who have not provided voting instructions. While the advisory vote on the compensation of our Named Executive Officers and the advisory vote on the frequency of such votes on compensation are routine matters, brokers are not allowed to vote on these matters unless they have received voting instructions from their customers. The election of directors is a non-routine matter on which brokers are not allowed to vote unless they have received voting instructions from their customers. Shares in the names of brokers that are not voted on a particular matter are treated as not present with respect to that matter.

We will announce voting results at the meeting, and we will publish the final results within four business days following the meeting on a Current Report on Form 8-K that will be filed with the SEC.

FORWARD-LOOKING STATEMENTS

This Proxy Statement includes "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this Proxy Statement regarding our financial position, business strategy and plans and objectives of management for future operations and capital expenditures are forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements and the assumptions upon which the forward-looking statements are based are reasonable, we can give no assurance that such expectations and assumptions will prove to have been correct.

BENEFICIAL OWNERSHIP OF THE COMPANY'S SECURITIES BY FIVE PERCENT BENEFICIAL OWNERS AND MANAGEMENT

On March 14, 2018 there were 14,162,702 shares of common stock issued and outstanding and eligible to be voted at the Annual Meeting. The following table sets forth certain information regarding the beneficial ownership of our common stock on March 14, 2018 by each person or entity known by us to be the beneficial owner of more than 5% of the outstanding shares of common stock, each of our directors and nominees for director, each of our "Named Executive Officers," and all our directors and executive officers as a group.

In this Proxy Statement, the term "Named Executive Officers" refers to our principal executive officer, principal financial officer and our three most highly compensated executive officers, other than the principal executive and financial officers, who were serving as executive officers at the end of 2017. The term "Named Executive Officers" also refers to up to two additional individuals for whom disclosure would have been provided but for the fact that the individuals were not serving as executive officers of the Company at the end of 2017. There is one such additional individual for the Company, the Company's former principal financial officer, Richard J. Larkin.

The following table sets forth certain information, as of March 14, 2018, regarding the beneficial ownership of our common stock by each person or entity known by us to be the beneficial owner of more than 5% of the outstanding shares of common stock, each of our directors, nominees for director, "NEOs" individually, and also for all our directors and executive officers as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Sperzel, John J. ⁽¹⁾ 3661 Horseblock Road Medford, NY 11763	205,000	1.45%
Esfandiari, Javan ⁽²⁾ 3661 Horseblock Road Medford, NY 11763	108,493	0.77%
Goldman, Neil A. ⁽³⁾ 3661 Horseblock Road Medford, NY 11763	14,815	0.10%
Klugewicz, Sharon ⁽⁴⁾ 3661 Horseblock Road Medford, NY 11763	27,078	0.19%
Passas, Robert ⁽⁵⁾ 3661 Horseblock Road Medford, NY 11763	12,000	0.08%
Larkin, Richard J. 3661 Horseblock Road Medford, NY 11763	51,731	0.37%
Davis, Katherine L. ⁽⁶⁾ 3661 Horseblock Road Medford, NY 11763	95,796	0.68%
Kissinger, Peter ⁽⁷⁾	50,281	0.36%

3661 Horseblock Road

Medford, NY 11763

Page, Gail S. ⁽⁸⁾

3661 Horseblock Road	9,375	0.07%
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Medford, NY 11763

Potthoff, John

3661 Horseblock Road	0	0.0%
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Medford, NY 11763

GROUP (all executive officers and directors, 13 persons) ⁽⁹⁾	658,066	4.65%
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Wellington Management Group LLP ⁽¹⁰⁾

280 Congress Street	1,729,790	12.21%
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Boston, MA 02210

Norman H. Pessin ⁽¹¹⁾

366 Madison Ave, 14 th Floor	1,274,139	9.00%
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New York, NY 10017

Acuta Capital Partners LLC ⁽¹²⁾

1301 Shoreway Rd	1,721,299	12.15%
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Belmont, CA 94002

Beneficial ownership is determined in accordance with the Rule 13d-3(a) of the Securities Exchange Act of 1934, as amended, and generally includes voting or investment power with respect to securities. Except as subject to community property laws, where applicable, the person named above has sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by that person.

Each stockholder's beneficial ownership is calculated as the number of shares of common stock owned by that stockholder plus the number of shares of common stock into which any preferred stock, warrants, options or other convertible securities owned by that stockholder can be converted within 60 days. The beneficial ownership percent in the table is calculated with respect to the number of shares (14,162,702) of the Company's common stock outstanding as of March 14, 2018. With respect to each stockholder's beneficial ownership, the denominator is the sum of the number of common shares outstanding and the number, if any, of outstanding options included in that stockholder's beneficial ownership; and the numerator is the same as the stockholder's beneficial ownership of shares as determined according to the preceding sentence.

The term "Named Executive Officer" refers to our principal executive officer, our principal financial officer, our three most highly compensated executive officers other than the principal executive officer and principal financial officer who were serving as executive officers at the end of 2017, and one additional individual for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer of the Company at the end of 2017.

- (1) Includes 205,000 shares issuable upon exercise of options exercisable within 60 days. Does not include 70,000 shares issuable upon exercise of options that are not exercisable within the next 60 days.
- (2) Includes 20,000 shares issuable upon exercise of options exercisable within 60 days. Does not include 20,000 shares issuable upon exercise of options that are not exercisable within the next 60 days.
- (3) Does not include 125,000 shares issuable upon exercise of options that are not exercisable within 60 days.
- (4) Includes 10,000 shares issuable upon exercise of options exercisable within 60 days. Does not include 10,000 shares issuable upon exercise of options that are not exercisable within the next 60 days.
- (5) Includes 12,000 shares issuable upon exercise of options exercisable within 60 days. Does not include 24,000 shares issuable upon exercise of options that are not exercisable within the next 60 days.
- (6) Includes 37,500 shares issuable upon exercise of options exercisable within 60 days. Does not include 9,375 shares issuable upon exercise of options that are not exercisable within the next 60 days.

(7) Includes 18,750 shares issuable upon exercise of options exercisable within 60 days.

(8) Includes 9,375 shares issuable upon exercise of options exercisable within 60 days. Does not include 37,500 shares issuable upon exercise of options that are not exercisable within the next 60 days.

Includes the aggregate number of shares issuable upon the exercise of options as described in footnotes (1)-(8), (9) and an additional 29,468 shares issuable upon exercise of options exercisable within 60 days. Does not include an additional 24,000 shares issuable upon exercise of options that are not exercisable within the next 60 days.

(10) The information is based on Schedule 13Gs filed on February 13, 2018. This includes three other entities which reported the same holdings: Wellington Trust Company, NA and Wellington Trust Company, National Association Multiple Common Trust Funds Trust, Micro Cap Equity Portfolio, which reported separately to the SEC with 918,535 or 6.49% and 811,255 or 5.73%, respectively. All addresses are the same.

(11) Includes shares held by Brian Pessin of 310 East 75th Street, Apt. 2A, New York, NY 10021 who beneficially owns 131,072 or 0.93%.

(12) Includes shares held by Acuta Capital Fund, LP, which beneficially owns 1,140,190 or 8.06%. As managing member of Acuta Capital Partners LLC, Richard Lin may be deemed to have voting and investment power over, and be the beneficial owner of, 1,721,299 shares held by Acuta Capital Partners LLC. All addresses are the same.

Equity Compensation Plan Information

Plan Category	Combined Equity Compensation Plans - Information as of December 31, 2017		
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders ¹	810,670	\$ 5.18	444,026
Equity compensation plans not approved by security holders	-	-	-
Total	810,670	\$ 5.18	444,026

¹ The "Number of Securities to be Issued Upon Exercise of Outstanding Warrants and Rights" represents 228,177 under the 2008 Stock Incentive Plan, 375,625 under the 2014 Stock Incentive Plan, and 206,868 issued outside of the Plans. The 2008 Stock Incentive Plan was increased by 125,000 units at the Annual Stockholder meeting held September 23, 2011. The "Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans" represents 41,651 under the 2008 Stock Incentive Plan and 402,375 under the 2014 Stock Incentive Plan.

AVAILABLE INFORMATION

Copies of our Annual Report on Form 10-K are being furnished to each stockholder with this Proxy Statement, and are available on the internet at <http://www.chembio.com/investors/proxy/> pursuant to the instructions set forth in the attached "Notice Regarding the Availability of Proxy Materials." **Upon written request, we will provide, without charge, a copy of our Annual Report on Form 10-K for the year ended December 31, 2017, to any stockholder of record, or to any stockholder who owns, as of March 14, 2018, common stock listed in the name of a bank or broker as nominee.** Any request for a copy of these reports should be mailed to the Secretary, Chembio Diagnostics, Inc., 3661 Horseblock Road, Medford, NY 11763. Stockholders also may receive copies of these reports by accessing the Company's website at www.chembio.com. We file annual, quarterly and current reports, Proxy Statements and other information with the SEC in accordance with the Securities Exchange Act of 1934, as amended. You may read

and copy any reports, Proxy Statements or other information filed by us at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. In addition, the materials we file electronically with the SEC are available at the SEC's website at www.sec.gov. The SEC's website contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Information about the operation of the SEC's public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330.

ITEM 1. ELECTION OF DIRECTORS

At the Annual Meeting, the stockholders will elect four directors to serve as our Board of Directors. Each director will be elected to hold office until the next annual meeting of stockholders or until his/her successor is elected and qualified. The affirmative vote of a plurality of the shares voted at the Annual Meeting in person or by Proxy is required to elect each director. Cumulative voting is not permitted in the election of directors. In the absence of instructions to the contrary, the person named in the accompanying proxy shall vote the shares represented by that Proxy for the persons named below as management's nominees for directors. All four nominees currently serve as directors of the Company.

It is not anticipated that any of the nominees will become unable or unwilling to accept nomination or election, but, if that should occur, the persons named in the proxy intend to vote for the election of such other person as the Board of Directors (the "Board") may recommend.

The following table sets forth, with respect to each nominee for director, the nominee's age, positions and offices with the Company, the expiration of the nominee's term as a director, and the year in which the nominee first became a director. Individual background information concerning each of the nominees follows the table. For additional information concerning the nominees, including stock ownership and compensation, see "Executive Compensation,"

"Beneficial Ownership of the Company's Securities By Five Percent Beneficial Owners and Management", and "Director Compensation".

Name	Age	Position(s) and Office(s) with the Company	Expiration of	
			Term of Director	Initial Date as Director
Katherine L. Davis	61	Director; Chairman of the Board	2018 Annual Meeting	May 2007
Gail S. Page	62	Director	2018 Annual Meeting	July 2017
John Potthoff	50	Director	*	*
John J. Sperzel III	54	Chief Executive Officer; member of the Board	2018 Annual Meeting	March 2014

* Dr. Potthoff is not currently a director of the Company.

Katherine L. Davis (61), Director and Chair of the Board. Ms. Davis was elected to the Board in May 2007, and was elected in March 2014 to serve as Chair of the Board. She currently serves as Chair of the Board's Audit Committee, Chair of the Board's Nominating And Governance Committee and a member of the Board's Compensation Committee. In 2014, Ms. Davis also served on the Board's CEO Search Committee, and in 2013 she served on the Board's Special Committee for handling certain strategic opportunities. Since January 2007, Ms. Davis has been the owner of Davis Design Group LLC, a company that provides analytical and visual tools for public policy design. Since January 1 2016, Ms. Davis has served as Systems Advisor to the Mayor of Indianapolis. Previously, from February 2005 to December 2006, she served as the Chief Executive Officer of Global Access Point, a start-up company with products for data transport, data processing, and data storage network and hub facilities. From October 2003 to January 2005, Ms. Davis was Lieutenant Governor of the State of Indiana, and from January 2000 to October 2003 was Controller of the City of Indianapolis. From 1989 to 2003, Ms. Davis held leadership positions with agencies and programs in the State of Indiana including State Budget Director, Secretary of Family & Social Services Administration, and Deputy Commissioner of Transportation. From 1982 to 1989, Ms. Davis held increasingly senior positions with Cummins Engine, where she managed purchasing, manufacturing, engineering, and assembly of certain engine product lines. Ms. Davis also led the start-up of and initial investments by a \$50 million Indiana state technology fund. She serves on the not-for-profit boards of Noble of Indiana, Lumina Foundation for Education, Indianapolis Foundation, Central Indiana Community Foundation, Western Governors University Indiana, and Indiana University School of Public and Environmental Affairs. She holds a Bachelor of Science in Mechanical Engineering from the Massachusetts Institute of Technology and an MBA from Harvard Business School. Ms. Davis has varied experience in business, political and financial areas that make her an excellent candidate for serving on the Board.

Gail S. Page (62), Director. Ms. Page was elected to the Company's Board of Directors in July 2017, and current serves as the Chair of the Board's Compensation Committee and as a member of the Company's Audit and Nominating And Corporate Governance Committees. Ms. Page has spent her entire career in health care with a focus on diagnostics and emerging technologies. In January 2013, Ms. Page founded Vineyard Investment Advisors (VIA),

through which she works with entrepreneurs, businesses, and universities to transform their ideas into products and services. Prior to VIA, Ms. Page served as the President, CEO and a Director of Vermillion, Inc., a healthcare company focused on developing and commercializing novel diagnostic blood tests. As President and CEO, Ms. Page directed Vermillion's repositioning to highlight the progressive nature of its pipeline, successfully raised over \$100M in funding, developed and commercially launched the OVA1® Test, which was the first FDA-cleared blood test to help diagnose ovarian cancer, and engaged Quest Diagnostics as an equity and commercial partner. Ms. Page has also served as Executive Vice President and Chief Operating Officer at Luminex and as Sr. Vice President at Roche Biomedical / Laboratory Corporation of America (LabCorp), during which time her team launched approximately 300 innovative tests, including a suite of HIV and infectious disease assays. Ms. Page's current board appointments include Sword Diagnostics, Inc., Consortia Health Holdings (Chair and Co-founder), and NxPrenatal, Inc., for which she serves as Executive Chair. Ms. Page earned a Bachelor's of Science in Medical Technology from the University of Florida, and completed an executive management program at the Kellogg School in Chicago. Ms. Page's experience and relationships in the diagnostic industry, as well as her extensive experience as a CEO, make her an excellent candidate to continue serving on the Board.

John Potthoff Ph.D. (50), Nominee for Director. Dr. Potthoff, a nominee for director for the Company's Board of Directors, has 25 years of experience in the clinical research services industry. Since 2015, Dr. Potthoff has been the CEO and a member of the Board of Directors of Elligo Health Research, a clinical research company, which he co-founded. Dr. Potthoff also currently is a member of the board of directors of Advarra, a premier, full-service research compliance organization, and of SynteractHCR, an international full-service contract research organization. From 2010 to 2015, Dr. Potthoff was the CEO of Theorem Clinical Research where he grew the company and eventually oversaw its sale in 2015 to Chiltern International. Prior to working at Theorem Clinical Research, Dr. Potthoff was the CEO and founder of Tanistry, Inc., a contract research organization focused on the central nervous system. INC Research acquired Tanistry, Inc. in 2001, after which Dr. Potthoff became COO and oversaw seven acquisitions and the sale of the INC Research to private equity investors in 2010. Dr. Potthoff received a Ph.D. in Psychology from the University of Texas-Austin, and a Bachelor of Arts and a Master of Arts from the University of Texas-Austin in Psychology. Based on his extensive experience, knowledge and relationships in clinical research and other aspects of the diagnostics and pharmaceutical industries, as well as his

experience as a CEO, Dr. Potthoff is an excellent candidate to serve as a director of the Company.

John J. Sperzel (54), Chief Executive Officer and Director. Mr. Sperzel was appointed Chief Executive Officer of Chembio Diagnostics, Inc. and a member of our Board in March 2014. Prior to joining the Company, Mr. Sperzel, was the President and CEO of International Technidyne Corporation (ITC) from September 2011 to December 2013. Mr. Sperzel served as President at Axis-Shield from September 2004 to September 2011. He also has held senior leadership positions at Bayer Diagnostics (Siemens Dx), Instrumentation Laboratory, and Boehringer Mannheim Diagnostics (Roche Dx). Mr. Sperzel graduated from Plymouth State College in New Hampshire, with a Bachelor of Science in Business Administration/Management. He currently serves on the board of directors of Diadexus, Inc., the common stock of which is registered under the Securities Exchange Act of 1934, and as an advisor to the board of the Diagnostic Marketing Association, and was the president of the board of that Association in 2007. Mr. Sperzel's knowledge of, and experience in, the point-of-care diagnostics industry, together with his knowledge and experience as CEO of the Company, make him an excellent candidate for continuing to serve on the Board.

Required Vote; Board Recommendation

The affirmative vote of a plurality of the shares voted at the Annual Meeting in person or by proxy is required to elect each director. The Board of Directors unanimously recommends that the stockholders vote FOR the election of each of the nominees listed above.

INFORMATION REGARDING THE BOARD OF DIRECTORS

AND EXECUTIVE OFFICERS

Board of Directors

Information regarding the Board of Directors is set forth above under "Item 1: Election of Directors".

Executive Officers

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The following table sets forth, with respect to each executive officer, the officer's age, the officer's positions and offices with the Company, the expiration of the officer's term and the period during which the officer has served either the Company or Chembio Diagnostic Systems Inc. Individual background information concerning each of the executive officers follows the table, except that individual background information concerning Mr. Sperzel is set forth above under "Item 1: Election of Directors". Information regarding employment contracts for Mr. Sperzel, Mr. Goldman, Ms. Klugewicz and Mr. Esfandiari may be found under "Executive Compensation" and under "Certain Transactions with Management and Principal Stockholders".

Name	Age	Position With Company	Initial Date as Officer
John J. Sperzel III*	54	Chief Executive Officer	2014
Neil A. Goldman	50	Chief Financial Officer; Executive Vice President	2017
Javan Esfandiari	51	Chief Scientific & Technology Officer; Executive Vice President	2004
Sharon Klugewicz	50	President Americas Region	2012
Robert Passas	64	President EMEA and APAC	2016
Tom Ippolito	55	Vice President of Regulatory Affairs, Quality Assurance and Quality Control	2005
Paul Lambotte	65	Vice President of Research & Development	2014
David Gyorke	58	Vice President of Operations	2017

* Information concerning Mr. Sperzel's background is included under "Item 1. Election of Directors".

Neil A. Goldman (50), Chief Financial Officer; Executive Vice President. Mr. Goldman joined Chembio Diagnostic Systems, Inc. in December 2017 as Chief Financial Officer and Executive Vice President. Mr. Goldman previously worked at J.S. Held LLC, a private equity-sponsored national consulting firm to insurance carriers and law firms. At J.S. Held, Mr. Goldman served as Executive Vice President - Corporate Development and CFO from 2015 to 2017, during which time he successfully completed six acquisitions and drove significant sales and EBITDA growth. From 2005 to 2015, Mr. Goldman held senior level positions at Unwired Technology LLC and then Delphi Corp., now Aptiv plc

(NYSE: APTV), following Delphi's acquisition of Unwired in 2014. Mr. Goldman's positions at Unwired included Executive Vice President-Corporate Development and CFO, and Senior Vice President-Chief Operating & Financial Officer. At Delphi, Mr. Goldman served as Global Finance Director for the Delphi Data Connectivity division. Prior to Unwired, Mr. Goldman served as CFO of EPPCO Enterprises from 2003 to 2005 and worked from 1989 to 2002 at Ernst & Young and Cap Gemini Ernst & Young following the latter's acquisition of Ernst & Young's consulting business. At Ernst & Young, Mr. Goldman was an auditor, primarily of Fortune 500 companies, and advanced into regional and national management consulting provisions. Mr. Goldman received a B.S. in Business-Accountancy from Miami University, Oxford, OH. Mr. Goldman is a Certified Public Accountant, licensed in the State of Ohio.

Javan Esfandiari (51), Chief Science And Technology Officer; Executive Vice President. Mr. Esfandiari joined Chembio Diagnostic Systems, Inc, in 2000. Mr. Esfandiari co-founded, and became a co-owner of Sinovus Biotech AB where he served as Director of Research and Development concerning lateral flow technology until Chembio Diagnostic Systems Inc. acquired Sinovus Biotech AB in 2000. From 1993 to 1997, Mr. Esfandiari was Director of Research and Development with On-Site Biotech/National Veterinary Institute, Uppsala, Sweden, which was working in collaboration with Sinovus Biotech AB on development of veterinary lateral flow technology. Mr. Esfandiari received his B.Sc. in Clinical Chemistry and his M. Sc. in Molecular Biology from Lund University, Sweden. He has published articles in various veterinary journals and has co-authored articles on tuberculosis serology with Dr. Lyashchenko.

Sharon Klugewicz (50), President Americas Region. Prior to joining the Company in September 2012, Ms. Klugewicz, served as Senior Vice President, Scientific & Laboratory Services at Pall Corporation (NYSE:PLL), a world leader in filtration, separation and purification technologies. Prior to that, Ms. Klugewicz held a number of positions at Pall Corporation over her 20-year tenure there, including in the Pall Life Sciences Division, in Marketing Product Management, and Field Technical Services, which included a position as Senior Vice President, Global Quality Operations. Ms. Klugewicz holds an M.S. in Biochemistry from Adelphi University and a B.S. in Neurobiology from Stony Brook University.

Robert Passas Ph.D. (64), President EMEA and APAC Regions. Dr. Passas joined the Company in October 2016 and serves as President EMEA and APAC Regions. Prior to joining the Company, from 2011 to 2016, Dr. Passas was a member of the Board and the Group Commercial Director, responsible for worldwide marketing, international sales, and technical and customer support at The Binding Site Group Ltd., Birmingham, U.K.. Previously, he was employed at each of Trinity Biotech plc (as Executive VP for global sales and marketing), Quidel Corporation, and Abbot Diabetes Care. Dr. Passas received a Ph.D. in analytical chemistry and a B.S. in medical biochemistry from the University of Surrey.

Tom Ippolito (55), VP of Regulatory Affairs, QA and QC. Mr. Ippolito joined Chembio Diagnostic Systems, Inc. in June 2005, and serves as Vice President, Regulatory Affairs. Prior to joining the Company, Mr. Ippolito served as Vice President, Regulatory and Quality at Biospecifics Technologies. He previously held a number of positions with United Biomedical, Biospecifics, Merck, Rhone Merieux, Organon Teknika, Analytab Products Inc., and Olympus.

Mr. Ippolito holds the position of Course Director of the Fundamentals of Bioscience Program at the State University of Stony Brook and is the instructor for clinical development and regulatory affairs.

Paul Lambotte Ph.D. (65), VP Research & Development. Mr. Lambotte joined Chembio Diagnostic Systems, Inc. in December 2014, and serves as Vice President of Product Development. Prior to joining the Company, from 2012 to 2014, Mr. Lambotte was President of PLC Inc., a point-of-care product development consulting company. He previously served as Chief Science Officer at Axxin Pty Ltd from 2009 to 2012, held positions of VP of R&D and Business Development at Quidel Corporation from 2000 to 2009, and before that held a number of positions at Beckman Coulter and Hybritech Inc. Mr. Lambotte is the inventor of several patents in the field of rapid, point-of-care diagnostic products. He received a Master in Biochemistry and a PhD in Protein Biochemistry from the University of Mons, Belgium, and did post-doctoral work at the Ludwig Institute for Cancer research in Brussels, Belgium.

David Gyorke (58), VP Operations. Mr. Gyorke joined Chembio Diagnostic Systems, Inc. in January 2017. Mr. Gyorke has responsibility for Manufacturing and Operations for the Company's Medord, NY and Kuala Lumpur, Malaysia manufacturing facilities. Prior to joining the Company, Mr. Gyorke held VP of Operations positions at the following start-up companies: Nanomix from 2011 to 2016, an electro-chemistry-based IVD POC system; NeoVista from 2008 to 2011, an ophthalmic brachytherapy surgical device; and Farallon Medical from 2004 to 2008, a PT-time POC system (acquired by Coagusense). Prior to that he served as VP of Operations for Cholestech from 1999 to 2003, an IVD POC

system, and held Technical Management positions at Boston Scientific-Target from 1993 to 1999. He received his Bachelors of Engineering (Industrial) at California Polytechnic State University.

Each of our officers serves at the pleasure of the Board of Directors, with Mr. Sperzel, Ms. Klugewicz, Mr. Goldman, and Mr. Esfandiari each having an employment agreement with the Company. There are no family relationships among our directors and executive officers.

Certain Transactions with Management and Principal Stockholders

The executive officers of the Company are as follows: John J. Sperzel, Chief Executive Officer and member of the board of directors of the Company, Neil A. Goldman, Chief Financial Officer and Executive Vice-President of the Company, Javan Esfandiari, Chief Science And Technology Officer of the Company, Sharon Klugewicz, President of Americas Region, and Robert Passas, President EMEA and APAC Regions.

Effective as of March 13, 2017, the Company entered into an employment agreement with John J. Sperzel III to continue to serve as its Chief Executive Officer for a term of three years. Effective as of December 18, 2017, the Company entered into an Employment Agreement with Neil Goldman to serve as its Chief Financial Officer and Executive Vice President for a term of one year. The Company entered into an employment agreement, effective as of March 5, 2016, with Mr. Esfandiari to continue as the Company's Chief Scientific & Technology Officer and Executive Vice President for an additional term of three years. The Company also entered into an employment agreement, effective as of May 22, 2017, with Ms. Klugewicz to continue as President of America Region for a term of one year. See Item 11 for additional information.

Approval of Transactions with Related Persons

The Board of Directors reviews all transactions involving us in which any of our directors, director nominees, significant stockholders and executive officers and their immediate family members are participants to determine whether such person has a direct or indirect material interest in the transaction. All directors, director nominees and executive officers must notify us of any proposed transaction involving us in which such person has a direct or indirect material interest. Such proposed transaction is then reviewed by either the Board as a whole or the Audit Committee, which determines whether to approve the transaction. After such review, the reviewing body approves the transaction only if it determines that the transaction is in, or not inconsistent with, the best interests of the Company and its stockholders.

Director Independence

Our common stock trades on the NASDAQ. Accordingly, we are subject to the corporate governance standards of NASDAQ, which require, among other things, that a majority of the board of directors be independent. We define an "independent" director in accordance with the NASDAQ Global Market's requirements for independent directors. Under this definition, we have determined that each of Katherine Davis, Gail Page, and Peter Kissinger currently qualifies as an independent director. If John Potthoff is elected to the Board of Directors, the Board of Directors believes Dr. Potthoff would qualify as an independent director. We do not list the "independent" definition we use on our internet website.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors, executive officers and beneficial owners of more than 10% of the Company's common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. The Company believes that during the year ended December 31, 2017 each person who was an officer, director and beneficial owner of more than 10% of the Company's common stock complied with all Section 16(a) filing requirements.

Code of Ethics

The Company has adopted a code of ethics that applies to its principal executive officer, principal financial officer, controller, and persons performing similar functions. A copy of the Company's code of ethics is available on the Company's website at www.chembio.com.

Board of Directors and Committees

The Board of Directors held twelve meetings during the fiscal year ended December 31, 2017 and each director participated in at least 100% of those meetings and of meetings of the committees on which he/she served. Although the Company does not have a formal policy regarding attendance by members of the Board of Directors at the Company's annual meeting of stockholders, the Company encourages each director to attend. Two directors attended the Company's annual meeting of stockholders in 2017.

Audit Committee

The Company's Audit Committee met four times in 2017. As of March 14, 2018, the members of the Audit Committee were Katherine L. Davis (Chair), Gail Page and Peter Kissinger. The Board of Directors has determined that each of Ms. Davis and Ms. Page is an "audit committee financial expert," as defined under the rules of the SEC. Each of the members of the Audit Committee is deemed "independent" in accordance with the NASDAQ Global Market's requirements for independent directors. The Audit Committee oversees, reviews, acts on and reports to our Board of Directors on various auditing and accounting matters including the selection of our independent registered public accounting firm, the scope of our annual audits, fees to be paid to the independent registered public accounting firm, and the performance of our independent registered public accounting firm. A copy of the Committee's charter is available on the Company's website at www.chembio.com.

Compensation Committee

The Company's Compensation Committee met one time in 2017. As of March 14, 2018, the members of the Compensation Committee were Gail Page (Chair), Katherine L. Davis, and Peter Kissinger. Each of the Compensation Committee members is deemed "independent" in accordance with the NASDAQ Global Market's requirements for independent directors. The Compensation Committee establishes salaries, incentives and other forms of compensation for executive officers. The Compensation Committee also administers our incentive compensation plan. The Compensation Committee's charter is available on the Company's website at www.chembio.com. The Compensation Committee does not currently delegate its authority to any other party, and does not currently engage any compensation consultants to determine the amount or form of executive and director compensation. Executive officers do not play a role in the determination or recommendation of the form or amount of any executive compensation paid, except that the Compensation Committee may request for the Chief Executive Officer to provide the Committee with oral evaluations of the performance of other executive officers.

Nominating And Governance Committee

The Company's Nominating And Governance Committee met six times in 2017. As of March 14, 2018, the members of this Committee were Katherine L. Davis (Chair), Gail Page, and Peter Kissinger. Each member of the Committee is deemed "independent" in accordance with the NASDAQ Global Market's requirements for independent directors. The Committee (i) identifies individuals qualified to become members of the Board of Directors, (ii) recommends director candidates to the Company's Board of Directors, (iii) reviews, develops, updates as necessary, and recommends to the Company's Board of Directors corporate governance principles and policies, and (iv) monitors compliance with such principles and policies. The Committee's Charter is available on the Company's website at www.chembio.com. All the nominees for director included in this Proxy Statement were recommended by the Nominating And Governance Committee, which is comprised entirely of non-management directors.

Stockholder Recommendations To The Nominating And Governance Committee

There have been no changes in the past year to the procedures by which stockholders may recommend nominees for director to our Board. For a stockholder recommendation for a director to be considered for nomination by the Board at the next annual meeting of stockholders, the recommendations must be made by a stockholder of record entitled to vote. Stockholder nominations must be made by notice in writing, delivered or mailed by first class U.S. mail, postage prepaid, to the Secretary of the Company at the Company's principal business address, not less than 60 days nor more than 90 days prior to any meeting of the stockholders at which directors are to be elected. Each notice of nomination of directors by a stockholder shall set forth the nominee's name, age, business address, if known, residence address of each nominee proposed in that notice, the principal occupation or employment of each nominee for the five years preceding the

date of the notice, the number of shares of the Company's common stock beneficially owned by each nominee, and any arrangement, affiliation, association, agreement or other relationship of the nominee with any Company stockholder.

Stockholder Communications

Stockholders wishing to send communications to the Board may contact Katherine L. Davis, our Board Chair, at the Company's principal executive office address. All such communications shall be shared with the members of the Board, or if applicable, a specified committee or director.

Leadership Structure of the Board

The Board has determined that separating the positions of CEO and Chairman is the best structure to fit the Company's current needs. It has been determined that this structure is preferable because this structure provides a greater role for the independent directors in the oversight of the Company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board. However, our Board has no fixed policy with respect to the separation of the offices of the Chairman and CEO. Our Board retains the discretion to make this determination on a case-by-case basis from time to time as it deems in the best interests of the Company and our stockholders at any given time.

Risk Management

Management is responsible for assessing and managing the Company's exposure to various risks. At least annually, the Company undertakes its assessment process to identify risks and develop plans to address them. This process is led by the Chief Financial Officer. The Audit Committee has oversight responsibility to review management's risk management process, including the policies and guidelines used by management to identify, assess and manage the Company's exposure to risk. The Chief Financial Officer reports directly to the Audit Committee at least quarterly to provide an update on management's efforts to manage risk. The Audit Committee also has oversight responsibility for financial risks. The Board of Directors has oversight responsibility for all other risks.

Diversity

The Board recognizes the importance of diversity in business experience, education, and professional skills in selecting nominees for director. The Board does not, however, have a formal policy concerning the consideration of diversity.

Audit Committee Report

This report shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under either of such Acts.

The Audit Committee oversees the Company's financial reporting process. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and the unaudited financial statements included in the Quarterly Reports on Form 10-Q for the first three quarters of the fiscal year ended December 31, 2017.

The Committee discussed with the independent auditors, who are responsible for expressing an opinion on the conformity of audited financial statements with generally accepted accounting principles, the auditors' judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed by the auditors with the Committee under Statement on Auditing Standard No. 61, as amended. In addition, the Committee discussed with the independent auditors the auditors' independence from management and the Company, including the matters in the written disclosures and the letter that the Committee received from the auditors that is required by the PCAOB independence standards. The Committee considered whether the auditors' providing services on behalf of the Company other than audit services is compatible with maintaining the auditors' independence.

The Committee discussed with the Company's independent auditors the overall scope and plans for their respective audits. The Committee meets with the independent auditors, with and without management present, to discuss the results of the auditors' examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Committee approved and recommended to the Board inclusion of the audited financial statements in the Annual Report on Form 10-K for the year ended December 31, 2017 for filing with the SEC.

The Audit Committee

Katherine Davis (Chair)

Gail Page

Peter Kissinger

March 9, 2018

EXECUTIVE COMPENSATION

The following table summarizes all compensation recorded by the Company in each of the last three completed fiscal years for our principal executive officer, principal financial officer and our three most highly compensated executive officers other than our principal officers whose annual compensation exceeded \$100,000.

Name / Principal Position	Salary ¹ (\$)	Bonus ² (\$)	Stock Awards (\$)	Option	All Other	Total (\$)
				Awards ³ (\$)	Compensation ⁴ (\$)	
Year						